

**GOVERNMENT OF ANDHRA PRADESH
HOME (GENERAL) DEPARTMENT
ABSTRACT**

Home Department - Attachment of Immovable and Movable Prosperities (cash) in respect of M/s Quest-Net Enterprises India Private Limited and the Accused - Under Section 3 of Andhra Pradesh Protection Depositors of Financial Establishments Act, 1999- Ad-interim orders -Issued.

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HOME (GENERAL-A2)DEPARTMENT

G.O.MS.No. 68

Dated:30-05-2015
Read the following:-

1. G.O.Ms. No. 193, Home (General.B) Department, dt:23-08-2001
2. From the Additional Director General of Police, Crime Investigation Department, Andhra Pradesh, Hyderabad, C. No.3012/C-11 / APCID / 2008, dated: 19 -03-2015.

ORDER:

Whereas, in the reference 1st read above, to safeguard the interests of the depositors, Government have appointed the Additional Director General of Police, Crime Investigation Department or Inspector General of Police, C.I.D. as the case may be as "Competent Authority" under sub-section (1) of section 4 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 (Andhra Pradesh Act No.17 of 1999) to exercise control over the properties attached by the Government under section 3 of the said Act;

2. And whereas, in the reference 2nd read above, the Additional Director General of Police, Crime Investigation Department, Andhra Pradesh, Hyderabad has reported that M/s Quest-Net Enterprises India Private Limited was registered in Chennai under the Companies Act, 1956. It is a sister concern Company of M/s Gold Quest International Private Limited located at Singapore. The Company has been indulging in collection of deposits and money circulation scheme by enrolling members and collecting money from the public;

3. And whereas, he has also stated that as per the scheme, an Independent Representative (IR), enrolls with the Company on payment of Rs. 460/- as registration fee and in addition he shall pay Rs.25,000/- to Rs.32,000/- against purchase of an article offered by the company at exorbitant price. Such member is compelled to enroll two members in the pyramid system, so that he will get commission on the enrolment of down line members. On completing two enrollments on left and right side, the IR will get a commission of Rs.2,300/- as an incentive. Each IR will develop two teams. Each product is assigned a Unit Volume which is normally on higher side, which is nothing but money circulation;

4. And whereas another one, Gold medallion pack comprises of a gold coin weighing 6 grams and silver medallion of 1 oz, costing Rs.32,000/- is of one Unit Volume (UV). If the IR ensures 6 UVs, he reaches the 1st step and gets commission of Rs.11,500/- including the incentive of Rs.2,300/-. On reaching another 6 UVs, he will complete 2nd step and get another Rs.11,500/-. If he completes 18 UVs, the IR completes one circle. The last i.e. the 6th step, the IR becomes eligible for a "E-Voucher" worth Rs.11,500/-. On completion of a circle, the IR would get a commission of Rs.57,500/- and E-Voucher for Rs.11,500/-. The IR is governed by a balancing factor. One IR has to ensure 3 UVs on either side i.e., left & right side to achieve a step and get the first commission of Rs.11,500/-. Subsequent commission will also depend on IR completing 3 UVs on either side. If one side grows unlimited and other side remains dormant, he will not be eligible to receive commission for the one side growth. If anyone in the ladder stops to enroll members, the chain will break and the IR will not get commission and consequent benefits will go to the company. The IR is eligible to receive the commission limited to 180 UVs on either side for a week. The registration fee of Rs.460/- paid by each IR is for a calendar year only. He must renew his membership annually. If a representative fails to renew his membership, he shall become inactive and shall not be entitled to enjoy any IR's rights provided for in the Policies & Procedures (P & P) of the Company. The Registration charges are collected by the Company without any consideration to offer and without any commitments to repay under any circumstances and hence, it is nothing but deposit. Thus, the Company has a wrongful gain of Rs.120 crores approximately. From the innocent public through the above schemes.

(P.T.O)

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Thus, the Company committed the offences U/s 420 of the I.P.C. and sec. 4, 5 & 6 r/w 2 (c), 3 of the Prize Chits & Money Circulation Schemes (Banning) Act, 1978 and sec. 5 of Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999;

5. And whereas, The Additional Director General of Police, C.I.D. has further stated that on the complaint of Sri D. Vijaya Sekhar Reddy s/o Krishna Reddy and 2 others, a case was registered on 9.05.2008 in Cr. No. 119/2008 u/s 420, 120-B of the I.P.C. and Sec. 4, 5 & 6 of the Prize Chits & Money Circulation Schemes (Banning) Act, 1978 and sec. 5 of Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999, in IV Town PS, Nellore. Later, it was taken over by the Crime Investigation Department for investigation;

6. And whereas, the Additional Director General of Police, C.I.D. has also stated that during the course of C.I.D. investigation, Ms.Pushpam Appala Naidu, Managing Director, Quest-Net Enterprises India Private Limited, Chennai; Sri Vijay Eswaran s/o Vijayaratnam; Sri Augustine Joseph s/o Joseph; Smt. Kamskhi Ranganadhan w/o Ranganadhan and Ms. K. Padma D/o Veeraswamy have been identified as accused, the immovable properties as shown in Annexure 'I' are identified on the names of above accused and financial establishment further certain bank accounts of the accused Company are identified and the available balance amount of Rs.44,07,851/- as at Annexure 'II' was got frozen;

7. In the circumstances reported by the Additional Director General of Police, C.I.D., Government have examined the matter carefully and hereby issue an ad-interim orders under section 3 of the Andhra Pradesh Protection of Depositors of Financial Establishments Act, 1999 for attachment of Immovable Properties and Movable properties (cash) mentioned in the **Annexure 'I' & Annexure 'II'** appended to this order in respect of accused and M/s Quest-Net Enterprises India Private Limited, in order to protect the interest of the innocent depositors of the said defaulted financial establishment.

8. The Additional Director General of Police, C.I.D., A.P., Hyderabad and Competent Authority is requested to take necessary further action in the matter accordingly as per the provisions of the said Act and the Rules made there under following due procedure and send compliance report to the Government.

9. This order is available on internet and can be accessed at address www.goir.ap.gov.in.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Dr. B.PRASADA RAO
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Additional Director General of Police, Crime Investigation Department, AP,
Hyderabad/ Competent Authority
Copy to
The Director General and Inspector General of Police, AP, Hyderabad
The concerned shown in the annexure through Additional Director General of Police,
CID/ Competent Authority, Hyderabad.
The P.S. to M (Home)
The P.S. to M (Finance)
The Law(C) Department
The SF/SC

//FORWARDED::BY ORDER//

SECTION OFFICER

Annexure – I, (to G.O.MS.No. 68, Home (General.A2) Department,Dated:30.05.2015.)

SI No	Doc. No & SRO	Date of Registration	Vendor	Vendee	S. No & Village	Extent of building	Boundaries	Market Value-Rs.
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	3132/04 Annanagar, Chennai	30-6-2004	K.V. Vijayan s/o Rajadurai	Ms. Pushpam Appala Naidu, D/o late Appalanaidu, Managing Director, Quest Net Enterprises India Pvt. Ltd.	Plot No. 3828 in old S.No. 74 Part of Mullam (v), Madras Dist., and further identified as Block No. 2, TS No. 90 of Mullam (v) and renumbered by the Corporation of Madras as Block-S No. 97, IV Main Road, Annanagar, Madras-600040	1,275 Sft.	<u>A-Schedule</u> North: Plot No. 3929 East: Plot No. 3927 South: 60' Road West: 30' Road <u>B-Schedule</u> An undivided 16.666% share of Vender's right/title/interest/in "A" property	18,21,600/-
2	504/2008 Sec'bad	17-3-2008	M/s Laxmi Sai Constructions, represented by its Managing Partners K. Lakshmana Rao s/o late K. Balaraju, H. No. 1-5-252, Kalasiguda, Sec'bad V. Amarnath s/o late Veeraiah, Plot No. 31, New Vasavinagar, Karkhana, Sec'bad.	M/s Quest-net Enterprises India Pvt. Ltd., Chennai represented by its authorized signatory Mr. Joseph Augustine s/o late M.O. Joseph, Flat-F, Laxmi Flats-7, Bhagiyathammal Nagar, Main Road, Mogappair, Padi, Chennai.	Commercial building consisting of 8,708 sft. of commercial space in 1 st floor and 3,800 sft. of parking place in Cellar. Total admeasuring 12,508 sft along with undivided portion of the land to extent of 377 Sq. yards in the premises Nos. 1-1- 116, 1-1-117, 1-1-117/1 & 1-1- 117/A situated at S.D. Road (Oxford Street), Secunderabad.	12,508 sft.	North: Bungalow No. 69 South: Sarojinidevi Road (formerly Oxford Street) East: Bungalow No. 71(Nataraj Theatre) West: Bungalow No. 70 (Part) (RIO café & Mela Restaurant)	5,88,00,000/-

Dr. B.PRASADA RAO
PRINCIPAL SECRETARY TO GOVERNMENT

//FORWARDED::BY ORDER//

SECTION OFFICER

Annexure – II (to G.O.MS.No. 68, Home (General.A2) Department, Dated:30.05.2015.)

Sl No	Name of the Bank	A/C. Holder Name & Address	A/c Number, SB/ Current A/c	Balance at the time of freezing-Rs.
(1)	(2)	(3)	(4)	(5)
1	Punjab National Bank, Annanagar, Branch-I, Chennai	Quest-Net/Pro-Quest Ecolonigies Pvt. Ltd.	1384005500340403	58,766/-
2	Oriental Bank of Commerce, Pandy Bazar Branch, T. Nagar, Chennai	Quest-Net/Pro-Quest Ecolonigies Pvt. Ltd.	09281131000959	43,49,085/-
Total (Rupees forty four lakhs seven thousand eight hundred and fifty one only)				44,07,851/-

Dr. B.PRASADA RAO
PRINCIPAL SECRETARY TO GOVERNMENT

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